Kentucky Race to the Top budgets and budget narratives

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Budget Summary Table and Narrative

Budget Part I: Budget Summary Table (Evidence for selection criterion (A)(2)(i)(d))				
Budget Categories	**Project Year 1**	**Project Year 2**	**Project Year 3**	**Project Year 4**	**Total**
1. Personnel	$2,991,500	$2,992,420	$2,993,349	$2,899,500	$11,876,769
2. Fringe Benefits	$897,450	$897,726	$898,005	$869,850	$3,563,031
3. Travel	$311,050	$59,100	$59,100	$44,100	$473,350
4. Equipment	$492,648	$787,250	$0	$0	$1,279,897
5. Supplies	$466,000	$3,376,000	$2,301,000	$2,000	$6,145,000
6. Contractual	$24,789,250	$14,665,580	$16,019,410	$6,636,490	$62,110,730
7. Training Stipends	$0	$12,000	$12,000	$0	$24,000
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$29,947,898	$22,790,076	$22,282,864	$10,451,940	$85,472,777
10. Indirect Costs*	$657,906	$1,032,860	$881,455	$537,978	$3,110,199
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$5,985,000	$1,825,000	$1,825,000	$1,825,000	$11,460,000
13. Total Costs (lines 9-12)	$36,590,804	$25,647,935	$24,989,319	$12,814,918	$100,042,976
14. Funding Subgranted to Participating LEAs (50% of Total Grant)	$36,590,804	$25,647,935	$24,989,319	$12,814,918	$100,042,976
15. Total Budget (lines 13-14)	$73,181,607	$51,295,870	$49,978,638	$25,629,837	$200,085,952
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Budget Summary Narrative

Kentucky's reform plans are bold and aggressive, and will require significant investments of time, resources, and funding to ensure success. The Commonwealth is committed to implementing all of the plans described in this application. A Race to the Top grant award would enable the State to accelerate this work and complete all necessary reforms to lead to dramatic changes in student outcomes statewide. In addition to a Race to the Top grant award, Kentucky will leverage other sources of federal, state, local, and philanthropic funding to support the reform plans as noted within the project-level budget explanations below.

Given Kentucky's rural nature, and the fact that all of Kentucky's LEAs have fully signed on as participants in the Race to the Top implementation, the plans are such that the State is taking on a significant portion of the work to design and develop tools to support LEAs with implementation. The approach to creating the project-level budgets involved determining detailed estimates of the costs for the State's activities within each of the reform plans. The total budget to implement the plans detailed in this Race to the Top application is $200,085,952, including the 50% share for Participating LEAs.

Overview of project-level budgets

Kentucky has organized its reform plans and project management into the following seven projects:

> Project 1: Professional learning for teachers and principals
>
> Project 2: Statewide longitudinal data system
>
> Project 3: Continuous instructional improvement technology system
>
> Project 4: Effective teachers and leaders
>
> Project 5: Effectiveness of teacher and principal preparation programs
>
> Project 6: Educational Recovery for the lowest-achieving schools
>
> Project 7: Race to the Top project management

Project 1: Professional learning for teachers and principals

This project is associated with criteria (B)(3) and (D)(5) and outlines Kentucky's approach to professional learning through the development of professional networks, firstly to facilitate the transition to the new standards and assessments, and on an ongoing basis as a statewide infrastructure for rolling out statewide initiatives, sharing promising practices, and improving access to expertise for more remote regions. The costs of this work to the State that would be covered by a Race to the Top grant award are ~$32.8M.

The following activities are the primary cost drivers within this project:

Building networks for professional learning for all educators, including postsecondary education faculty, that are firstly focused on deconstructing the new standards

Engaging parents and community members through a broad-based public awareness campaign

Increasing access to challenging coursework and STEM subject areas by expanding initiatives like AdvanceKentucky and Project Lead The Way

Piloting a residency model for aspiring teachers

It is the State's expectation that a large portion of Participating LEAs' subgrants will be utilized for the activities included in this project. In particular, LEAs will cover the costs associated with sending representatives to network meetings, establishing strong professional learning teams at every school, providing ongoing, effective teacher and principal professional learning, and increasing access to challenging STEM courses through AdvanceKentucky and Project Lead The Way.

Project 2: Statewide longitudinal data system

This budget includes the costs associated with the expansion of the Kentucky Statewide Longitudinal Data System (KY SLDS) and access to and use of KY SLDS data, as described in the reform plan in section (C)(2). Kentucky submitted an application for the ARRA SLDS grant in December 2009. Given the highly competitive nature of the ARRA SLDS grant, following guidance from USED as relayed in the Race to the Top FAQ item M-4, Kentucky has included

the work and costs from the ARRA SLDS grant proposal in the Project 2 budget. All costs for this project are described in detail below, totaling ~$19.7M.

The following activities are the primary cost drivers within this project:

> Expanding the Kentucky Statewide Longitudinal Data System to include data from the Council on Postsecondary Education and the Education Professional Standards Board, early childhood data, and student financial aid and workforce data, as well ensuring effective data governance and data quality

> Improving accessibility to longitudinal data by providing role-based access to all stakeholders and improving the reports the Kentucky Department of Education produces

> Developing and implementing high-quality professional learning opportunities for stakeholders around how to access and use longitudinal data to improve student outcomes

The State plans to fund this work over the next four years with its portion of the Race to the Top award and the ARRA SLDS award should Kentucky be awarded those grants. Kentucky does not expect Participating LEAs to fund the statewide longitudinal data system development; however, Participating LEAs may augment State-provided training with additional local training related to data access and use.

Project 3: Continuous instructional improvement technology system
This project is associated with criteria (C)(3) and outlines Kentucky's approach to developing a continuous instructional improvement system (CIITS) available to teachers and principals online. Through the CIITS, every teacher and principal will have access to data on their students' learning and achievement, data on their own professional growth, and a variety of resources for curriculum, assessments, instruction, professional learning, and school improvement at their fingertips. The costs of this work to the State that would be covered by a Race to the Top grant award are ~$8.3M.

The following activities are the primary cost drivers within this project:

> Developing the CIITS infrastructure and the content to be integrated into the system (e.g., resources to deconstruct the standards)

Developing professional learning opportunities / content for teachers and principals in accessing and using the CIITS and providing personnel at the regional networks to lead the implementation of this work

Funding researchers / evaluators to access and use data from the CIITS and KY SLDS to identify effective practices in educating all of our students

It is the State's expectation that a large portion of Participating LEAs' subgrants will be utilized for the activities included in this project. In particular, LEAs will be responsible for using their subgrants to pay for their licenses to use the CIITS system once it is developed. Furthermore, LEAs will cover the costs associated with sending representatives to network meetings, establishing strong professional learning teams at every school, and providing ongoing, effective teacher and principal professional learning.

Project 4: Effective teachers and principals

This project is associated with criteria (D)(2) and (D)(3) and outlines Kentucky's approach to developing statewide evaluation systems for teachers and principals based on growth models that include multiple measures of effectiveness. The Wallace Foundation has supported this work, which was launched in 2009, and will continue to support Kentucky with the development of the teacher and principal growth models. Additional sources of funding for this work include Title II funding and Teacher Incentive Fund grants. The costs of this work to the State that would be covered by a Race to the Top grant award are ~$18.8M.

The following activities are the primary cost drivers within this project:

Developing and implementing the growth models and accompanying evaluation system statewide

Piloting innovative equitable distribution models in select districts

Introducing the Teach For America program into Kentucky

Increasing the quantity and quality of data collected in teachers' and principals' critical internship year

It is the State's expectation that a large portion of Participating LEAs' subgrants will be utilized for the activities included in this project. In particular, LEAs will cover the costs associated with the professional learning necessitated by the new statewide approach to evaluation (e.g., training for teacher and principal evaluators). Additionally, LEAs will cover the costs associated the implementing decision-making processes based on the new evaluation system and growth models. This will mean repurposing existing funding and allocating a portion of the Race to the Top subgrant.

Project 5: Effectiveness of teacher and principal preparation programs
This project is associated with criterion (D)(4) and outlines Kentucky's approach to developing the Effective Educator Preparation Index (EEPI) and the Effective Principal Preparation Index (EPPI) which measure and report the effectiveness of teacher and principal preparation programs, respectively. The costs of this work to the State that would be covered by a Race to the Top grant award are ~$3.9M.

The primary cost driver within this project is the development of the Indices, which utilize multiple measures to evaluate and report out on the effectiveness of Kentucky's teacher and principal preparation programs.

Project 6: Educational Recovery for the lowest-achieving schools
This project is associated with criterion (E)(2) and outlines Kentucky's approach to turning around the lowest-achieving schools in the Commonwealth. The majority of the costs of this project will be covered by federal School Improvement Grants and State School Improvement funds. The costs to the State that would be covered by a Race to the Top grant award are ~$7.2M.

The following activities are the primary cost drivers within this project:

Creating Centers for Learning Excellence that facilitate and support Educational Recovery schools

Developing and launching Educational Recovery Specialist and Leader endorsement programs

Project 7: Race to the Top project management

This project is associated with criterion (A)(2) and outlines Kentucky's approach to overall Race to the Top project leadership and management of the grant as detailed in section (A)(2). To ensure sufficient capacity at all levels of the education system, this project also includes funding to supplement Participating LEAs for whom the Title I formula may result in insufficient funding to fully implement Kentucky's Race to the Top plans. Furthermore, given Kentucky's focus on fostering innovation, Project 7 includes an "Innovation Fund" from which competitive grants will be awarded to LEAs who propose new, innovative projects with the aims of increasing student learning in their districts, as detailed in (A)(2). The costs of this work to the State that would be covered by a Race to the Top grant award are $9.4M.

The following activities are the primary cost drivers within this project:

> Creating a Race to the Top project management and facilitation role at the Kentucky Department of Education

> Developing and implementing project management processes to monitor the Race to the Top grant work

> Providing supplemental funding for LEAs that would need additional resources (beyond their share of the 50% subgrant) to fully implement all Race to the Top plans

> Providing additional innovation funding for LEAs that submit proposals detailing specific innovative projects

Approach to Participating LEAs with insufficient Title I shares

As noted in Project 7, due to the Title I funding formula method of subgranting 50% of a potential Race to the Top award to LEAs, the State will provide supplementary grants to Participating LEAs who have Race to the Top subgrants deemed insufficient to implement the Race to the Top plans as codified in the Memorandum of Understanding. Preliminary estimates identify approximately 30 LEAs in this category. In total, approximately $5,000,000 is required to ensure such LEAs have the estimated minimum funding level to fully implement the Race to the Top initiatives.

In addition, the Department intends to cultivate "bottom up" innovation that will advance the Commonwealth's reform plan by inviting interested LEAs to propose additional innovations that they would like to pursue under the aegis of Race to the Top in the scopes of work that the LEAs will be developing for review and approval by the Department *(see section (A)(2) for further detail)*. The Department recognizes that some LEAs will need to devote all of their Race to the Top allocations to carrying out the baseline expectations of the Commonwealth's reform plan. To ensure that all Participating LEAs who propose compelling and competitive innovations along the lines described above will be able to carry them out, the Department is budgeting a special fund of $2,500,000 within the State budget and will make it available to those LEAs who propose especially promising innovations but are not able to fund them out of their initial allocations due to the work they must do to meet the reform plan's universal expectations.

Approach to Participating LEAs with substantial Title I shares

As it is the Title I formula that is used to allocate the LEA subgrants across Participating LEAs, some Participating LEAs will have more than the projected amount of money to fully implement Race to the Top plans. LEAs that have substantial additional funds will work in partnership with the Kentucky Department of Education to craft a scope of work that directs these funds towards high-impact activities in the four assurance areas. This may include:

Piloting innovative ideas that are described in the reform plans in this Race to the Top application at the district level

Piloting innovative ideas developed at the district level above and beyond those already specified in the reform plans in the four assurance areas *(see (A)(2) for potential examples)*

Creating infrastructure to appropriately link locally-developed approaches with statewide systems (for example, linking a district-developed formative assessment system into the CIITS described in (C)(3))

For LEAs with struggling schools, and Educational Recovery schools in particular, extra funding will be focused on school improvement and turnaround.

Project #1: Professional Learning for Teachers and Principals

Budget Part II: Project-Level Budget Table Project Name: Professional Learning for Teachers and Principals Associated with Criteria: (B)(3) & (D)(5) (Evidence for selection criterion (A)(2)(i)(d))					
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$1,350,000	$1,350,000	$1,350,000	$1,350,000	$5,400,000
2. Fringe Benefits	$405,000	$405,000	$405,000	$405,000	$1,620,000
3. Travel	$132,300	$44,100	$44,100	$44,100	$264,600
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$15,891,250	$2,012,500	$3,856,250	$2,366,250	$24,126,250
7. Training Stipends	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$17,778,550	$3,811,600	$5,655,350	$4,165,350	$31,410,850
10. Indirect Costs*	$266,109	$253,673	$253,673	$253,673	$1,027,129
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$360,000	$0	$0	$0	$360,000
13. Total Costs (lines 9-12)	$18,404,659	$4,065,273	$5,909,023	$4,419,023	$32,797,979
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Project #1: Professional Learning for Teachers and Principals

This budget includes the costs associated with Kentucky's plans for professional learning to increase the effectiveness of all teachers and principals. Given the Commonwealth's focus on student learning, this work begins with the transition to the new standards and assessments as described in section (B)(3). While implementing the new standards and assessments is the leading edge of Kentucky's hybrid approach to professional learning (building professional networks and utilizing technology systems), this approach will be the statewide model on an ongoing basis, as described in section (D)(5). The total for the State's budget for Project 1 is ~$32.8M, with a detailed cost breakdown below.

All direct costs for this project fall under one of the following categories: "Personnel," "Fringe benefits," "Travel," and "Contractual," with the remaining costs falling within "Indirect Costs" and "Supplemental Funding for Participating LEAs." The costs described in detail below explain the portions of the State's work that the Race to the Top grant award would fund. However, much of the professional learning work going forward will be covered by LEAs' existing funds allocated toward professional learning and other training programs, as well as the LEAs' Race to the Top subgrant. Furthermore, the legislative changes affecting Kentucky's approach to professional learning will enable greater flexibility with teacher and principal time, enabling the provision of more efficient and effective professional learning experiences.

Line item 1: Personnel

Implementation Coordinators

> Purpose: The two Implementation Coordinators in each region will be staff of the Kentucky Department of Education and will lead, in partnership with Educational Cooperative staff, postsecondary education faculty, and content area experts, the network-based implementation of the transition to the new standards and assessments. The base salary for this position is $75,000, and there will be two Implementation Coordinators in each of the nine networks, or 18 Implementation Coordinators total. These are four-year positions, totaling $5,400,000 that will be charged to a potential Race to the Top grant award.

Line item 2: Fringe benefits

Implementation Coordinators

The fringe benefit percentage is 30% to cover employee benefits. Applied to the total salary costs for 18 Implementation Coordinators for four-year terms as noted above, the total fringe benefit cost is $1,620,000 that will be charged to the potential Race to the Top grant award.

Line item 3: Travel

Core Oversight Team

Purpose of travel: To provide technical assistance to 49 networks (there will be more networks over time for additional subject areas, but these will not be funded by the potential Race to the Top grant award.) The Core Oversight Team will provide training and support for facilitators and on-site Department staff leading networks on a monthly basis.

Cost detail:

Travel costs include the average mile reimbursements of $100 per person and a per diem of $25 per person	*# of Trips*	*$ per Trip*	*Annual total*
During Year 1, three members of the Core Oversight Team will travel for in-person technical assistance sessions with network leaders monthly for 6 months. They will be on-site for 2 days.	3 members of the Core Oversight Team x 49 networks x 6 trips	$150	$132,300 for Year 1
During Years 2, 3, and 4, three members of the Core Oversight Team will travel for in-person technical assistance sessions with network leaders at two different times during the year. They will be on-site for 2 days	3 members of the Core Oversight Team x 49 networks x 2 trips	$150	$44,100 for Years 2, 3, 4

The annual totals included above will apply for Project Years 1 through 4, totaling $264,600 that will be charged to a Race to the Top grant award. In the fourth year, this type of technical assistance will be assessed, and if still warranted, will be funded by the Kentucky Department of Education's budget for ongoing Senate Bill 1 implementation.

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Assessment literacy training series

> Purpose: The Kentucky Department of Education will hire contractors to provide training to every District Assessment Coordinator through face-to-face meetings and webinars as described in section (B)(3)
>
> Products and professional services included in this procurement: Development and facilitation of training sessions on new balanced assessment system (both in-person and via webinar) for all District Assessment Coordinators statewide
>
> Cost per procurement and time to be devoted to this project: $25,000 over four years ($10,000 in Year 1, $5,000 in Years 2, 3, and 4)

Unbridled Learning Summit

> Purpose: Governor Beshear, Robert King (Executive Director of the Council on Postsecondary Education), Commissioner Holliday of the Kentucky Department of Education and other leaders will hold joint keynotes during a media event tied to the Transforming Education in Kentucky initiative
>
> Products and professional services included in this procurement: Venue to hold conference, including necessary technology and equipment
>
> Cost: $50,000 for one-time conference

Educators' Online Learning Series

> Purpose: The Kentucky Department of Education will hire a contractor to develop online courses for educators to access during Summer 2010, e.g., "Introduction to KY's New Math and English/Language Arts Standards," "Deconstructing the New Standards," "Assessment Literacy," and "Interactive Teaching and Learning"
>
> Products and professional services included in this procurement: Development of online courses for educators
>
> Cost per procurement and time to be devoted to this project: $20,000

Refocus Instructional Support Network

Purpose: The Kentucky Department of Education will hire a contractor to facilitate the refocusing of the existing Instructional Support Network so that it includes all P-16 instructional leaders (i.e., university staff, Educational Cooperatives, and other partners) Products and professional services included in this procurement:

- o Review of current Instructional Support Network infrastructure
- o Plan for expansion and refocusing of this Network

Cost per procurement and time to be devoted to this project: $50,000 for a short-term project (likely 1 month)

Professional learning for postsecondary education faculty

Purpose: The Council for Postsecondary Education will facilitate professional learning for postsecondary education faculty to ensure all understand the new standards and assessments.

Products and professional services included in this procurement:

- o Development and facilitation of professional learning for postsecondary education faculty on the new standards and assessments

Cost per procurement and time to be devoted to this project: $5,000,000

Evaluation of the network approach to professional learning

Purpose: The Kentucky Department of Education will hire an external researcher to evaluate the effectiveness of the network approach to professional learning Products and professional services included in this procurement: Robust evaluation of new network-based approach to professional learning

Cost per procurement and time to be devoted to this project: $300,000 over three years (Project Years 2-4)

Public engagement

Purpose: The Prichard Committee will undertake a broad-based public awareness and engagement effort, including parent and community engagement around Senate Bill 1

Products and professional services included in this procurement: Campaign may include:

- o Informational advertisements (paid, as opposed to public service announcements) for commercial and cable broadcast
- o Information distribution via social media
- o Meeting and conference presentations
- o One-day workshops
- o Intensive leadership training institutes for parents
- o Advocacy training for teachers
- o Dedicated Web sites
- o Print advertisements for statewide distribution
- o Print materials
- o Public appearances
- o Outreach to new and traditional media

Cost per procurement: $3,500,000

AdvanceKentucky

Purpose: The Kentucky Department of Education will work with the AdvanceKentucky program to expand its current program by about 20 schools each year

Products and professional services included in this procurement:

- o Expansion of program to additional schools each year
- o Partnership with local districts and schools where program is implemented
- o Measurement of program's success in terms of student outcomes
- o See the (B)(3) reform plan for more detail on AdvanceKentucky

Cost per procurement and time to be devoted to this project:

- o Year 1: $493,750
- o Year 2: $837,500
- o Year 3: $1,181,250
- o Year 4: $2,031,250
- o Annual amounts listed above are estimates of what the Race to the Top award would cover (a total of $4,543,750 over four years, which is approximately 50% of total costs of this program); all additional costs of this program will be covered

by grants from LEAs' subgrants, philanthropy, local district funding, and other sources of existing or repurposed funding

Project Lead The Way

Purpose: The Kentucky Department of Education will work with the Project Lead The Way program to expand its current program by about 125 schools each year

Products and professional services included in this procurement:

- o Expansion of program to additional schools each year
- o Partnership with local districts and schools where program is implemented
- o Measurement of program's success in terms of student outcomes
- o See the (B)(3) reform plan for more detail on Project Lead The Way

Cost per procurement and time to be devoted to this project: $6,437,500 over four years, which is 25% of total costs of this program; all additional costs of this program will be covered by grants from LEAs' subgrants, philanthropy, local district funding, and other sources of existing or repurposed funding

Kentucky Virtual School

Purpose: The Kentucky Department of Education will increase the number of rigorous courses available through the Kentucky Virtual School by 6 courses each year for four years, adding an additional 24 courses by 2014

Products and professional services included in this procurement:

- o Development of content for additional courses, collaborating with statewide networks that are working on deconstructing the new standards and developing instructional tools
- o Programming of the online courses

Cost per procurement and time to be devoted to this project: $5000 for each new course, totaling $120,000 over four years

The estimated cost for each additional course is based on the costs of the courses that have already been developed for the Kentucky Virtual School

Teacher residency model pilots

Purpose: The Kentucky Department of Education and the Education Professional Standards Board will work together to facilitate a Request for Proposal to select three partnerships between institutions of higher education and local districts to develop and pilot teacher residency programs

Products and professional services included in this procurement:

- o Strong partnership between institution of higher education and local district to develop Professional Learning Schools
- o Development of curriculum / tasks for residency model
- o Application process for residency model
- o Summer immersion program
- o Stipends for support teachers and students
- o Agency and university support staff
- o Evaluation of residency model as a means of preparing teachers to be more effective in impacting student learning

Cost per procurement and time to be devoted to this project:

- o $270,000 across three years for Professional Learning School development
- o $340,000 across three years to pilot curriculum and summer immersion program
- o $3,770,000 across three years for stipends and support staff for pilots
- o $200,000 for evaluation
- o Total of $4,580,000 will be covered by the Race to the Top grant award, with ongoing maintenance and operations covered by participants' tuition, the institutions of higher education, and local district partners

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$1.0M in indirect costs

Line item 12: Supplemental Funding for Participating LEAs

Developing professional learning teams

Purpose of supplemental funding: Because school-based professional learning teams are critical for the implementation of Kentucky's network-based approach to professional learning, the Kentucky Department of Education will select 60 districts to receive mini-grants to hire consultants to support implementation of local professional learning teams (likely facilitators who have been trained in the *Classroom Assessment for Student Learning* model described in (B)(3)

Cost detail:

Activity	*Cost*	*# of LEAs*	*Annual total*
Additional training for school leaders (e.g., master teachers, principals, etc.) to implement professional learning teams at their schools	$6000	60	$360,000

The costs described above are one-time allocations to the LEAs who will receive this award; the total of $360,000 will be charged to the Race to the Top grant in Year 1 and will be augmented by local district funding to support professional learning teams on an ongoing basis

These cost estimates are based off of Kentucky's prior work to establish professional learning teams

Project #2: Statewide longitudinal data system

Budget Part II: Project-Level Budget Table Project Name: Statewide longitudinal data system Associated with Criteria: (C)(2) (Evidence for selection criterion (A)(2)(i)(d))					
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$92,000	$92,920	$93,849	$0	$278,769
2. Fringe Benefits	$27,600	$27,876	$28,155	$0	$83,631
3. Travel	$10,000	$15,000	$15,000	$0	$40,000
4. Equipment	$262,417	$787,250	$0	$0	$1,049,666
5. Supplies	$464,000	$3,374,000	$2,299,000	$0	$6,137,000
6. Contractual	$2,150,000	$4,424,000	$4,541,000	$0	$11,115,000
7. Training Stipends	$0	$12,000	$12,000	$0	$24,000
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$3,006,017	$8,733,046	$6,989,004	$0	$18,728,066
10. Indirect Costs*	$83,698	$494,881	$343,477	$0	$922,055
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$0	$0	$0	$0	$0
13. Total Costs (lines 9-12)	$3,089,714	$9,227,927	$7,332,481	$0	$19,650,121
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Project #2: Statewide longitudinal data system

This budget includes the costs associated with the expansion of the Kentucky Statewide Longitudinal Data System (KY SLDS) and access to and use of KY SLDS data, as described in the reform plan in section (C)(2). Kentucky submitted an application for the ARRA SLDS grant in December 2009. Given the highly competitive nature of the ARRA SLDS grant, following guidance from USED as relayed in the Race to the Top FAQ item M-4, Kentucky has included the work and costs from the ARRA SLDS grant proposal in the Project 2 budget. All costs for this project are described in detail below, totaling ~$19.7M.

The following activities are the primary cost drivers within this project:

Expanding the Kentucky Statewide Longitudinal Data System to include data from the Council on Postsecondary Education and the Education Professional Standards Board, early childhood data, and student financial aid and workforce data, as well ensuring effective data governance and data quality

Improving accessibility to longitudinal data by providing role-based access to all stakeholders and improving the reports the Kentucky Department of Education ("the Department") produces

Developing and implementing high-quality professional learning opportunities for stakeholders around how to access and use longitudinal data to improve student outcomes

The State plans to fund this work over the next four years with its portion of the Race to the Top award and the ARRA SLDS award should Kentucky be awarded those grants. Kentucky does not expect Participating LEAs to fund the statewide longitudinal data system development; however, Participating LEAs may augment State-provided training with additional local training related to data access and use.

All direct costs for this project fall under one of the following categories: "Personnel," "Fringe benefits," "Travel," "Equipment," "Supplies," "Contractual," and "Training Stipends," with the remaining costs falling within "Indirect Costs." The costs described in detail below explain the portions of the State's work that the Race to the Top grant award would fund.

Line item 1: Personnel

SLDS Executive Director

> Purpose / description: An MOA will be written to hire an executive director for the project for a duration of 3 years at a cost of $92,000 per year plus fringe benefits and a 1% annual cost of living increase.
>
> Salary / time allocation: 100% of 1 FTE's time; total cost of $278,770

Line item 2: Fringe benefits

SLDS Executive Director

> Fringe benefits will apply to the executive director at a rate of 30% for a total three year amount of $83,631.00

Line item 3: Travel

General and administrative travel

> Purpose / description: Travel required by project staff to elicit and capture project requirements, facilitate and oversee project execution activities and to gather feedback from user communities for reporting purposes, and travel required to initiate an ongoing online training program by first holding face to face and training and community-building sessions within each of 8 regional centers. These initial trainings will be provided to 3 persons from each district.
>
> Costs: In year one $10,000 will be allocated for necessary travel expenses, and in years two and three this expense is estimated to increase to $15,000 per year to accommodate the increased travel requirements associated with marketing and training for partners and stakeholders. Total for three years is $40,000

Line item 4: Equipment

Note: All nonexpendable personal property items with an acquisition cost of $5,000 or more are classified as Equipment. So are tracked items with an acquisition cost under $5,000, such as personal computers; however, these are to be expensed at time of purchase.

Hardware

Equipment needs have been estimated based on the following six out of the nine workstreams which will need additional hardware: identity management, state data audit system, re-engineering existing feeder systems, new data and reports, user accessible metadata repository, and technical training. With regard to server costs specifically, all Department server estimates are based on IBM 3650's of varying configurations. Hardware needs total $1,049,666 are broken down as follows:

> Identity management – 26 servers; 3 direct attached storage devices, 1 router switch, and 1 load balancer totaling (Total $230,231)
>
> State Data Audit System – 7 servers (Total $37,001)
>
> Re-engineering Existing Feeder Systems – 39 servers and workstations, 2 direct attached storage devices, 3 blade enclosures, and other equipment (Total $ $576,757)
>
> New data and Reports – 19 servers, 1 direct attached storage device, 1 router switch, and 1 load balancer (Total $161,430)
>
> Metadata Repository – 5 servers (Total $25,099)
>
> Technical training – 4 servers (Total $19,148)

In year one 25% of hardware budget will be expended with the remainder being expended in year two.

Line item 5: Supplies / software

General administrative supplies

> Purpose / description: General and administrative supplies are estimated to be $4,000 per year and will be prorated among the participating agencies depending upon the need for additional resources to support the project.
>
> An additional $10,000 in year one, and $20,000 in each of the remaining two years of the project will be used for the production and printing of training materials and information packets.
>
> Cost: $62,000

Data model software modified/purchased/built

> Purpose / description: In the first year of the project the data model software will be modified, purchased or built to include the new data sources, estimated to cost $250,000 the first year and $150,000 in each of the final two years with Kentucky absorbing 50% of the cost of year three ($75,000)

> Cost: $250,000 in Year 1, $150,000 in Year 2, and $75,000 in Year 3 for a total of $475,000

Additional software licenses for partners (e.g., the Council on Postsecondary Education and the Education Professional Standards Board)

> Purpose / description: Additional software licenses; including the business intelligence software, will be required as new partners are incorporated into the Collaborative. $100,000 in y ear one and $200,000 in year two and three

> Cost: $500,000

Application level software

> Purpose / description: It is estimated that in year one $100,000 will be spent on application level software including, but not limited to, applications such as SQL Server, ASP, IIS, etc. Associated costs for identity management software in year two is estimated to be $3 million and in year three $2 million.

> Cost: $5.1M

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

The total amount requested for contractual expenditures is $11,115,000. Of this total, $2,150,000 is estimated to be expended in year one, $4,424,000 in year two, and $4,541,000 in year three. Contractual costs are made up of two general areas: contractual 3rd party vendor costs, and contractual personnel costs. For contractual 3rd party vendor needs, vendors will be engaged to develop the focus groups, professional services for the data audit and governance review,

training development and delivery, and physical hosting services provided by the Commonwealth Office of Technology or similar entity. Additionally, research vendors will be utilized as needed to provide conceptual and methodological assistance in the combining of data and the generating reports. These costs are estimated to total $2,370,000. For contractual personnel needs, Kentucky will contract with technical resource personnel as necessary for implementing the various work streams described in the project narrative. Care has been taken to budget for these FTEs only when their work is actually anticipated as reflected in the yearly budget figures. Estimates for 3rd party vendor services are based on a time and materials model and include roles at a fully burdened contractor rate of $120,000 per year. These costs are estimated to total $8,745,000.

Project Manager (5)

> The scope of the effort will require multiple Project Managers. The Project Manager's responsibilities will include overseeing and helping to ensure that the activities associated with the portion of the project they are assigned to are completed on time within budget and adhere to high quality standards that meet the Commonwealth's expectations.
> The initial Project Manager will be responsible for overseeing the advance planning and focus group design and implementation in year one and will shift to overseeing the re-engineering and updating of existing feeder systems. Duties will also include responsibility for enhancement of the KY KSLDS and user accessible data dictionary.
> The second and third Project Managers will be hired in the 3rd quarter of the first year. The second Project Manager will be directly responsible for the identity management design and implementation workstream and will remain assigned to this work stream through to the end of the project. The third Project Manager will initially concentrate on the state data audit system, and then transition to the development and implementation of the comprehensive training capability and will remain assigned to this work stream through to the end of the project. It is likely that the second and third Project Managers will be personnel provided by the vendors as part of the contracts secured.
> The fourth and fifth Project Managers will be hired during the 2nd quarter of year one and will be housed at Education Professional Standards Board and the Council on Postsecondary Education respectively to oversee the feeder system re-engineering at each

respective agency and will remain assigned to those respective work streams through to the end of the project.

The total amount requested for project management expenditures is $1,470,000. Of this total, $300,000 is estimated to be expended in year one, $600,000 in year two, and $570,000 in year three.

Business Analysts (5)

As with the Project Management need, the scope of the effort will require multiple Business Analysts to effectively elicit, capture, and verify the business, functional, and technical requirements related to the work streams that make up the project.

The initial Business Analyst will be hired at the beginning of year one and will help elicit capture and analyze business requirements from focus group sessions in order to complete the initial advance planning phase of the project. This individual will then begin working with agency-focused Business Analysts to carry out the modification of existing feeder systems work and later the addition of new data sources work.

The second Business Analyst will be assigned to the identity management work stream and will be hired in the 3rd quarter of year one.

The third business analyst will also be hired in the 3rd quarter of year one and work specifically with the one-time data audit and then later, focus on the establishment of the state data audit system.

The fourth and fifth Business Analysts will be hired during the 2nd quarter of year one and will be housed at the Education Professional Standards Board and the Council on Postsecondary Education respectively to focus on the feeder system re-engineering efforts at each respective agency and will continue through to the end of the project.

The total amount requested for business analysis expenditures is $1,500,000. Of this total, $300,000 is estimated to be expended in year one, $600,000 in year two, and $600,000 in year three.

Data Analysts (3)

At the beginning of year one of the project one Data Analyst will be hired to work specifically with the planning and focus group processes and then shift focus to the re-

engineering and new data reports work streams of the project. This individual will become a permanent member of the KY SLDS staff and Kentucky will absorb 25% of this individual's salary in the third year of the grant

A second Data Analyst will be brought on board in the 3rd quarter of the first year to specifically address the one time data audit and establishment of the state data audit system. This individual will also become a permanent member of the KY SLDS and Kentucky will absorb 25% of the salary in year three.

The third data analyst will be hired for years two and three and will work specifically with the metadata repository.

Year one costs $150,000; Year two costs $360,000; Year three costs $300,000.

Database Administrator (3)

In the 1st quarter of year two a database administrator will be hired to work on the re-engineering of feeder systems and the creation of new data reports.

In the 2nd quarter of year two a second database administrator will be brought on board to work specifically on the state data audit system.

A third database administrator will come on board at the beginning of the project with CPE to assist with the internal re-alignment and consolidation of CPE and KYAE's databases.

Year one costs $120,000; Year two costs $330,000; Year three costs $360,000.

Application Developers (4)

Four application developers are needed to help re-engineer data collection at each agency in order to prepare the additional feeder systems and incorporate the data into the KY SLDS. These positions will begin during the 3rd quarter of year one and be held for years 2 and 3 of the grant.

Year one costs $240,000. Year two costs $480,000. Year three costs $480,000.

Report Developers (3)

Two report developers will be needed beginning in year two to address reports for the new data being collected within the KY SLDS. A third report developer will be hired in the 3rd quarter of year two to work specifically with the state data audit system.

Year one costs $0; Year two costs $330,000; Year three costs $360,000.

Trainers (2)

A training coordinator will be hired, at a rate of $75,000 per year, in year two to lead the comprehensive KY SLDS training which will be developed by an outside vendor. The training coordinator will be responsible for providing comprehensive training to regional training facilitators *(see Training Stipends section)*

In year two, a technical trainer, hired at a rate of $60,000 per year will also be needed to provide training for the ad hoc reporting tool and will also work with the outside vendor designing the training.

Year one $0 Year two costs $135,000; Year three costs $135,000

Implementation Support (1)

It is anticipated that a designated implementation support person will need to be available to assist with troubleshooting and leading test efforts on the project.

Year one costs $60,000; Year two costs $60,000; Year three costs $60,000

Mainframe Developer (1)

A mainframe developer is needed to write the interface of the Workforce Development's feeder systems and new data and report work and will be hired in the 3rd quarter of year one.

Year one costs $30,000; Year two costs $120,000; Year three costs $120,000.

ETL Developer (4)

Four ETL developers will be needed beginning in year two of the overall project. Two of these positions will support the extraction of new data and reports and two will be assigned to the state data audit system development and implementation. These latter two

ETL developers will become permanent KY SLDS staff and Kentucky will pay 25% of their salary in year three of the project.

Year one costs $240,000; Year two costs $480,000; Year three costs $420,000.

Systems Analysts (2)

The two systems analysts will be brought on board in the 3rd quarter of year one and will remain through the completion of the project. Their work will focus on updating and re-engineering of the feeder systems and the state data audit system.

Year one costs $60,000. Year two costs $150,000. Year three costs $120,000.

Help Desk Personnel (1)

The implementation of the electronic certification system will require a temporary increase in help desk personnel to assist educators with logins and other technical assistance. This position will be held in the third year of the grant.

Year one costs $0. Year two costs $0. Year three costs $75,000.

Detailed table with contractual detail:

Contractor position	Details	Total Year 1	Total Year 2	Total Year 3	TOTAL
Project Manager 1	(Advance & overall Planning, Data Source re-engineering, New KSLDS Data & Rpts). Transition 25% of salary to operations in Year 3	$ 120,000	$ 120,000	$ 90,000	$330,000
Project Manager 2	(Begin Yr 1, Q3, Identity Mngt)	$ 30,000	$ 120,000	$ 120,000	$270,000
Project Manager 3	(Begin Yr 1, Q3, One Time Audit, then State Audit System along w/ Comprehensive KSLDS Training effort)	$ 30,000	$ 120,000	$ 120,000	$270,000
Project Manager 4	(EPSB Data Source Re-engineering)	$ 60,000	$ 120,000	$ 120,000	$300,000
Project Manager 5	(CPE Data Source Re-engineering)	$ 60,000	$ 120,000	$ 120,000	$300,000
BA 1	(Advance & overall Planning, Data Source re-engineering, New KSLDS Data & Rpts)	$ 120,000	$ 120,000	$ 120,000	$360,000
BA 2	(Begin Yr 1, Q3, Identity Mngt)	$ 30,000	$ 120,000	$ 120,000	$270,000
BA 3	(Begin Yr 1, Q3, One Time Data Audit, then, Data Audit QA system)	$ 30,000	$ 120,000	$ 120,000	$270,000
BA 4	(EPSB Data Source Re-engineering)	$ 60,000	$ 120,000	$ 120,000	$300,000
BA 5	(CPE Data Source Re-engineering)	$ 60,000	$ 120,000	$ 120,000	$300,000

Data Analyst 1	(Begin Yr 1, remain through project. Position initially focuses on planning and focus group requirements phase, then shifts to re-engineering of existing systems, and then shifts to the and new data and reports phase. Transition 25% of salary to operations in year 3.)	$ 120,000	$ 120,000	$ 90,000	$330,000
Data Analyst 2	(Begin Yr 1 Q3, remain through project. Position initially focuses on the one time audit of KSLDS processes and data, and then shifts to the ongoing data audit system work. Transition 25% of salary to operations in year 3.)	$ 30,000	$ 120,000	$ 90,000	$240,000
Data Analyst 3	(Begin Yr 2, remain through project. Position focuses soley on user accessible metadata repository work.)		$ 120,000	$ 120,000	$240,000
Database Administrator 1	(Work on reengineering of feeder systems – same person moves to new data reports work).		$ 120,000	$ 120,000	$240,000
Database Administrator 2	(State data audit system, begins year 2, second quarter)		$ 90,000	$ 120,000	$210,000
Database Administrator 3, (CPE)		$ 120,000	$ 120,000	$ 120,000	$360,000
Application Developer 1		$ 60,000	$ 120,000	$ 120,000	$300,000
Application Developer 2		$ 60,000	$ 120,000	$ 120,000	$300,000
Application Developer 3		$ 60,000	$ 120,000	$ 120,000	$300,000
Application Developer 4		$ 60,000	$ 120,000	$ 120,000	$300,000
Report Developer 1	(New Data and Reports, begins year 2)		$ 120,000	$ 120,000	$240,000
Report Developer 2	(New Data and Reports, begins year 2)		$ 120,000	$ 120,000	$240,000
Report Developer 3	New Data and Reports, (Focus on state data audit, begins year 2, Q2)		$ 90,000	$ 120,000	$210,000
Training Coordinator	(Focus on comprehensive training, begin Yr 2)		$ 75,000	$ 75,000	$150,000
Technical Trainer	(Technical training for ad hoc reporting tool – working with outside vendor who develops training. Begins Yr 2)		$ 60,000	$ 60,000	$120,000
Mainframe Developer	(Focus initially on re-engineering of existing feeder systems, then transition to new data and reports), Begin Yr 1, Q3, remain for rest of project)	$ 30,000	$ 120,000	$ 120,000	$270,000
ETL Developer 1	(Focus on new data and reports. Begin Yr 2)	$ 120,000	$ 120,000	$ 120,000	$360,000
ETL Developer 2	(Focus on new data and reports. Begin Yr 2)	$ 120,000	$ 120,000	$ 120,000	$360,000

ETL Developer 3	(Focus on state data audit system. Begin Yr 2). Transition 25% of salary to operations in year 3.	$ -	$ 120,000	$ 90,000	$210,000
ETL Developer 4	(Focus on state data audit system. Begin Yr 2). Transition 25% of salary to operations in year 3.	$ -	$ 120,000	$ 90,000	$210,000
Systems Analyst 1	(Initially focuses on one time audit of data and processes, then transitions to state data audit system work. Begins Yr 1 Q3).	$ 30,000	$ 120,000	$ 120,000	$270,000
Systems Analyst 2	(Focuses only on re-engineering existing feeder systems. Begins Yr 1 Q3, works for 6 months through 1st quarter of Y2).	$ 30,000	$ 30,000		$60,000
Implementation Support		$ 60,000	$ 60,000	$ 60,000	$180,000
Help Desk		$ -	$ -	$ 75,000	$75,000
Physical Hosting, Operating Systems, Patching, Monitoring		$ -	$ 204,000	$ 366,000	$570,000
Professional Services for Data Audit		$ 250,000			$250,000
Professional Services for Training Development		$ -	$ 375,000	$ 375,000	$750,000
Data Governance Contractual		$ 250,000	$ -	$ -	$250,000
Focus Group Contractual		$ 50,000	$ -	$ -	$50,000
Research Contractual	(Advance & overall Planning, Data Source re-engineering, New KSLDS Data & Rpts). Transition 25% of salary to operations in Year 3	$ 100,000	$ 200,000	$ 200,000	$500,000
TOTALS		$ 2,150,000	$ 4,424,000	$ 4,541,000	$11,115,000

Line item 7: Training Stipends

Training on the local education association level on the use of the KY SLDS will be facilitated in year two and three by 10 independent trainers located within the districts and universities. These trainers will conduct up to 4 face-to-face or on-line training sessions for district technology coordinators and school administrators during years two and three of the grant at a cost of $24,000 based on a rate of $300 per day.

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$0.9M in indirect costs

Project #3: Continuous instructional improvement technology system

	Budget Part II: Project-Level Budget Table **Project Name:** Continuous Instructional Improvement Technology System (CIITS) **Associated with Criteria:** (C)(3) **(Evidence for selection criterion (A)(2)(i)(d))**				
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$724,500	$724,500	$724,500	$724,500	$2,898,000
2. Fringe Benefits	$217,350	$217,350	$217,350	$217,350	$869,400
3. Travel	$168,750	$0	$0	$0	$168,750
4. Equipment	$230,231	$0	$0	$0	$230,231
5. Supplies	$2,000	$2,000	$2,000	$2,000	$8,000
6. Contractual	$1,003,000	$1,066,000	$836,000	$686,000	$3,591,000
7. Training Stipends	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$2,345,831	$2,009,850	$1,779,850	$1,629,850	$7,765,381
10. Indirect Costs*	$156,877	$133,083	$133,083	$133,083	$556,125
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$0	$0	$0	$0	$0
13. Total Costs (lines 9-12)	$2,502,708	$2,142,933	$1,912,933	$1,762,933	$8,321,506
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Project #3: Continuous instructional improvement technology system

This budget includes the costs associated with the development and implementation of the Continuous Instructional Improvement Technology System (CIITS), as described in the reform plans in section (C)(3) *(with relevant additional description in (B)(3) and (C)(5))*. Through the CIITS every teacher and principal will have access to data on their students' learning and achievement, data on their own professional growth, and a variety of resources for curriculum, assessments, instruction, professional learning, and school improvement at their fingertips. The costs of this work to the State that would be covered by a Race to the Top grant award are ~$8.3M and are described below. The Kentucky Department of Education ("the Department") will use RTTT dollars to fund the development of the system and high-quality professional learning, and LEAs will use part of their allocations to implement the system across every classroom and school.

The following activities are the primary cost drivers within this project:

> Developing the Continuous Instructional Improvement Technology System infrastructure and the content to be integrated into the system (e.g., resources to deconstruct the standards)
>
> Developing professional learning opportunities / content for teachers and principals in accessing and using the CIITS and providing personnel at the regional networks to lead the implementation of this work
>
> Funding researchers / evaluators to access and use data from the CIITS and KY SLDS to identify effective practices in educating all of our students

It is the State's expectation that a large portion of Participating LEAs' subgrants will be utilized for the activities included in this project. In particular, LEAs will be responsible for using their subgrants to pay for their licenses to use the CIITS system once it is developed. Furthermore, LEAs will cover the costs associated with sending representatives to network meetings, establishing strong professional learning teams at every school, and providing ongoing, effective teacher and principal professional learning.

All direct costs for this project fall under one of the following categories: "Personnel," "Fringe benefits," "Travel," "Equipment," "Supplies," and "Contractual," with the remaining costs falling within "Indirect Costs." The costs described in detail below explain the portions of the State's work that the Race to the Top grant award would fund.

Line item 1: Personnel

Project sponsor

Purpose / description: the Project Sponsor will be the principal director for the implementation of the continuous improvement system; accept and sign off on all project deliverables and reports; determine when business processes should change; have authority to enact required changes; determine whether the project implementation is meeting expectations.

Salary / time allocation: 20% of 1 FTE's time with annual salary of $122,000 will cost $24,000 each year for four years totaling $96,000

Administrative assistant

Purpose / description: the Administrative Assistant will help the project sponsor and the Department project team by maintaining schedules, setting up meetings, creating purchase requests, and other duties as assigned.

Salary / time allocation: 50% of 1 FTE's time with annual salary of $51,000 will cost $25,500 each year for four years totaling $102,000

CIITS Implementation Coordinators

Purpose / description: The Implementation Coordinator in each region will be staff of the Kentucky Department of Education and will lead, in partnership with Educational Cooperative staff, postsecondary education faculty, and content area experts, the network-based implementation of the CIITS

The base salary for this position is $75,000, and there will be one Implementation Coordinator in each of the nine networks, or 9 Implementation Coordinators total. These are four-year positions, totaling $2,700,000 that will be charged to a potential Race to the Top grant award.

Line item 2: Fringe benefits

Project sponsor

Project Sponsor fringe benefits – with a fringe benefit percentage of 30% this will cost $7,200 per year (30% of $24,000 annual cost) for four years totaling $28,800

Administrative assistant

Administrative Assistant fringe benefits – with a fringe benefit percentage of 30% this will cost $7,650 per year (30% of $25,500 annual cost) for four years totaling $30,600

Implementation coordinator

Implementation Coordinator fringe benefits – with a fringe benefit percentage of 30% applied to the salary costs for 9 Implementation Coordinators for four-year terms as noted above, the total fringe benefit cost is $810,000 that will be charged to the potential Race to the Top grant award.

Line item 3: Travel

Training

Purpose / description: Travel provided to staff from 8 regional centers and Jefferson County Public Schools for initial face-to-face training on the Continuous Instructional Improvement Technology System. 5 staff from each will participate in an ongoing series of training in order to become proficient not just in using the system, but to use it in order to impact instruction and improvement at the student, educator, and administrator levels. Number of trips and costs: 25 x 45 people will attend; each trip will cost $150 totaling $168,750 during Year 1 only

Line item 4: Equipment

Note: All nonexpendable personal property items with an acquisition cost of $5,000 or more are classified as Equipment. So are tracked items with an acquisition cost under $5,000, such as personal computers; however, these are to be expensed at time of purchase.

Hardware

Hardware needs totaling $230,231 are broken down as follows:

> Servers required for Web, Application and Database - $6,000 per server for 26 servers totaling $156,910 in Year 1 only
>
> Load Balancers, Switch Router Cards - $25,621 in Year 1 only
>
> Direct Attached Storage Devices (250 GB HDD) - $15,900 per storage device for 3 storage devices totaling $47,400 in Year 1 only

Line item 5: Supplies

General administrative supplies

> Purpose / description: Includes office supplies such as pens, paper, binders, etc.
>
> Cost: Estimated to be in the amount of $2,000/year which may vary depending on the amount needed to support the project, for four years totaling $8,000

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Vendor Management and Oversight Services

> Products and professional services included in this procurement: Project Management; communication and client engagement including working with the Department project management and staff; business analysis
>
> Cost: $450,000 in Years 1 and 2, $300,000 in Year 3, and $150,000 in Year 4 totaling $1,350,000

Vendor Development Services

> Products and professional services included in this procurement: Integration services for system and data; product customization and/or new development
>
> Cost: $115,000 in Year 1, $100,000 in Year 2, and $20,000 in Years 3 and 4 totaling 255,000

Hosting

Products and professional services included in this procurement: Physical hosting operations support and system software upgrades. 1st year represents half planned hardware.

Cost: $78,000 in Year 1, then $156,000 in Years 2, 3, and 4 totaling $546,000

Kentucky Department of Education Project Manager

Purpose / description: the Department project manager will represent KDE's interests; observe and maintain project schedule, budget, scope; interact with vendor project manager; ensure effective communication with Department leadership regarding project implementation; provide regular status reports; escalate issues

Cost: $120,000 per year for four years totaling $480,000

Kentucky Department of Education Business Analyst

Purpose / description: the Department business analyst will work with stakeholders to develop and finalize requirements and design; review and suggest new policies or updates to existing policies; coordinate stakeholder and content area involvement in all aspects of the project

Cost: $120,000 per year for four years totaling $480,000

Kentucky Department of Education Project Manager

Purpose / description: Day-to-day owner of non-IT aspects of the business program; primary spokesperson and communicator of the application business vision; advises project sponsor regarding acceptance and approval of project deliverables; determines business rules, functional requirements and system priorities

Cost: $120,000 per year for four years totaling $480,000

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$0.6M in indirect costs

Project #4: Effective Teachers and Leaders

Budget Part II: Project-Level Budget Table Project Name: Effective Teachers and Leaders Associated with Criteria: (D)(2) & (D)(3) (Evidence for selection criterion (A)(2)(i)(d))					
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$675,000	$675,000	$675,000	$675,000	$2,700,000
2. Fringe Benefits	$202,500	$202,500	$202,500	$202,500	$810,000
3. Travel	$0	$0	$0	$0	$0
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$485,000	$5,468,080	$2,241,160	$3,039,240	$11,233,480
7. Training Stipends	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$1,362,500	$6,345,580	$3,118,660	$3,916,740	$14,743,480
10. Indirect Costs*	$123,728	$123,728	$123,728	$123,728	$494,910
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$0	$1,200,000	$1,200,000	$1,200,000	$3,600,000
13. Total Costs (lines 9-12)	$1,486,228	$7,669,308	$4,442,388	$5,240,468	$18,838,390
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Project #4: Effective Teachers and Leaders

This budget includes the costs associated with Kentucky's plans to increase the effectiveness of teachers and principals statewide, including the development and implementation of new teacher and principal evaluation systems based on growth models that include multiple measures of effectiveness. With the generous support of the Wallace Foundation, Kentucky's work in this area has already begun. The Race to the Top grant award will accelerate this work and enable Kentucky to make significant progress with the plans described in sections (D)(2) and (D)(3). The State's total budget for Project 4 is ~$18.8M, comprised of the costs detailed below.

All direct costs for this project fall under the "Personnel," "Fringe Benefits," and "Contractual" categories, with the remaining cost falling within "Indirect Costs" and "Supplemental Funding for Participating LEAs." The costs described in detail below explain the portions of this work that the Race to the Top grant award would fund. These are primarily for the development and initial trials and rollout of the growth models and evaluation systems. However, much of the local professional learning work described in the plans will be covered by LEAs' existing funds allocated toward professional learning and teacher and principal evaluation.

Line item 1: Personnel

Teacher and principal effectiveness Implementation Coordinators

> Purpose: The Implementation Coordinator in each region will be staff of the Kentucky Department of Education and will lead, in partnership with Educational Cooperative staff, postsecondary education faculty, and content area experts, the network-based implementation of the new teacher and principal effectiveness initiatives.
>
> The base salary for this position is $75,000, and there will be one Implementation Coordinators in each of the nine networks, or 9 Implementation Coordinators total. These are four-year positions, totaling $2,700,000 that will be charged to a potential Race to the Top grant award.

Line item 2: Fringe benefits

Implementation Coordinators

The fringe benefit percentage is 30% to cover employee benefits. Applied to the total salary costs for 9 Implementation Coordinators for four-year terms as noted above, the total fringe benefit cost is $810,000 that will be charged to the potential Race to the Top grant award.

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Creating teacher and principal indices

Purpose: The Kentucky Department of Education will hire contractors to develop the teacher and principal indices (i.e., creating the formulaic approach to rolling up the multiple measures into indices and four rating categories)

Products and professional services included in this procurement:

- o Teacher indices / rubrics that show how multiple performance measures map to each of four rating categories
- o Principal indices / rubrics that show how multiple performance measures map to each of four rating categories

Cost per procurement and time to be devoted to this project: $100,000 in Year 1

Scoring of teacher evaluations

Purpose: The Kentucky Department of Education will hire a contractor to conduct the scoring of the teacher evaluations. This contractor will have expertise in teacher evaluation processes and analysis.

Products and professional services included in this procurement:

- o Scoring of the evaluations for each teacher utilizing the formula described in the line item above ("teacher indices")
- o Advisory services to the vendor that develops the Continuous Instructional Improvement Technology System so that eventually all teacher evaluation data is available through that system

Cost per procurement and time to be devoted to this project: $30 per teacher evaluated

- o Year 2: 15,000 teachers evaluated = $450,000
- o Year 3: 30,000 teachers evaluated = $900,000
- o Year 4: 45,000 teachers evaluated = $1,350,000
- o Total of $2,700,000 for teacher evaluation scoring during the developmental and rollout phases of this work to be covered by a Race to the Top award grant; ongoing costs of evaluation will be covered by local district and state funding for teacher effectiveness

The estimate of $30 per teacher was developed based on current estimates as part of the Wallace Foundation grant

Scoring of principal evaluations

Purpose: The Kentucky Department of Education will hire a contractor to conduct the scoring of the principal evaluations. This contractor will have expertise in principal evaluation processes and analysis.

Products and professional services included in this procurement:

- o Scoring of the evaluations for each principal utilizing the formula described in the line item above ("principal indices")
- o Advisory services to the vendor that develops the Continuous Instructional Improvement Technology System so that eventually all principal evaluation data is available through that system

Cost per procurement and time to be devoted to this project: $360 per principal evaluated

- o Year 2: 412 principals evaluated = $148,080
- o Year 3: 824 principals evaluated = $296,160
- o Year 4: 1,234 principals evaluated = $444,240
- o Total of $888,480 for principal evaluation scoring during the developmental and rollout phases of this work to be covered by a Race to the Top award grant; ongoing costs of evaluation will be covered by local district and state funding for principal effectiveness

The estimate of $360 per principal was developed based on current estimates as part of the Wallace Foundation grant

Teach For America

Purpose: The Kentucky Department of Education will partner with Teach For America to expand alternative pathways into teaching in the hard to staff areas in rural Eastern Kentucky and in Jefferson County

Products and professional services included in this procurement:

- o Beginning in 2011, 30 additional teachers each year for hard to staff positions in rural Eastern Kentucky
- o Beginning in 2012, 30 additional teachers each year for hard to staff positions in Jefferson County

Cost per procurement and time to be devoted to this project:

- o Year 1: $385,000
- o Year 2: $520,000
- o Year 3: $1,045,000
- o Year 4: $1,245,000
- o Total of $3,195,000 to be covered by Race to the Top grant award to launch the program; ongoing costs will be covered by local district and state funding

Please see the (D)(3) reform plan narrative for more detail on the plan for Kentucky's partnership with Teach For America

Redevelop and reconstruct the Intern Management System

Purpose: The Education Professional Standards Board will hire a vendor to redevelop and reconstruct data collection on the Kentucky Teacher Intern Program and the Kentucky Principal Intern Program to inform future programmatic decisions. These data will be housed in the Intern Management System

Products and professional services included in this procurement:

- o Purchasing of necessary hardware and software for the Intern Management System
- o Analysis of the new growth model evaluation system data available, and integration of these data into the Intern Management System

Cost per procurement and time to be devoted to this project:

- o $3,140,000 for both the teacher and principal intern data collection. This total will be covered by the Race to the Top grant award, with the minimal ongoing costs covered by existing funds in the Education Professional Standards Board's budget
- o $1,210,000 to reconstruct the Intern Management System to streamline it with other data systems to be developed *(see (C)(2) and (C)(3) for more detail)*

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$0.5M in indirect costs

Line item 12: Supplemental Funding for Participating LEAs

Developing professional learning teams

Purpose of supplemental funding: The Kentucky Department of Education will develop a competitive grant program for districts to develop pilots for equitable distribution of highly-effective and effective teachers and principals

Cost detail:

Activity	Cost	# of LEAs	Annual total
Equitable distribution pilots (may include financial incentive programs, loan forgiveness, etc.)	$300,000 per year	4	$1,200,000

The grants described above will be given for three years to selected Participating LEAs, totaling $3,600,000 that will be charged to the Race to the Top grant over Years 2, 3, and 4

Project #5: Effectiveness of teacher and principal preparation programs

Budget Part II: Project-Level Budget Table **Project Name:** Effectiveness of Teacher and Principal Preparation Programs **Associated with Criteria:** (D)(4) **(Evidence for selection criterion (A)(2)(i)(d))**					
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$0	$0	$0	$0	$0
2. Fringe Benefits	$0	$0	$0	$0	$0
3. Travel	$0	$0	$0	$0	$0
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$1,700,000	$1,150,000	$1,000,000	$0	$3,850,000
7. Training Stipends	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$1,700,000	$1,150,000	$1,000,000	$0	$3,850,000
10. Indirect Costs*	$0	$0	$0	$0	$0
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$0	$0	$0	$0	$0
13. Total Costs (lines 9-12)	$1,700,000	$1,150,000	$1,000,000	$0	$3,850,000
Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.					

Project #5: Effectiveness of teacher and principal preparation programs

This budget includes the costs associated with the development of the Effective Educator Preparation Index (EEPI) and the Effective Principal Preparation Index (EPPI) for teacher and principal preparation programs, as described in the reform plans in section (D)(4). All costs for this project fall under the "Contractual" category, and are described in detail below. The Race to the Top grant award would fund the development and trial period of the tools described in (D)(4), with the ongoing costs covered by the Education Professional Standards Board's budget. The State's total budget for Project 5 to be covered by Race to the Top is ~$3.9M.

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Development of the Effective Educator Preparation Index for teacher preparation programs

Purpose: Kentucky's Education Professional Standards Board will procure a vendor(s) to develop an Effective Educator Preparation Index that measures the effectiveness of teacher preparation programs as described in section (D)(4)

Products and professional services included in this procurement:

- o Project management to serve as liaison with the Education Professional Standards Board and to facilitate development of the Effective Educator Preparation Index for teacher preparation programs
- o Required hardware and/or software for development of the Effective Educator Preparation Index for teacher preparation programs
- o Program developer(s) and data analyst(s)
- o Training for state-level and university staff on how to utilize the Effective Educator Preparation Index

Cost per procurement and time to be devoted to this project: $500,000 per year for three consecutive years, totaling $1,500,000 to be charged to a potential Race to the Top award grant

Development of the Effective Principal Preparation Index for principal preparation programs

Purpose: Kentucky's Education Professional Standards Board will procure a vendor(s) to develop a Effective Principal Preparation Index that measures the effectiveness of principal preparation programs as described in section (D)(4)

Products and professional services included in this procurement (this list is not comprehensive, and will be tailored based on proposals from potential vendors):

- o Project management to serve as liaison with the Education Professional Standards Board and to facilitate development of the Effective Principal Preparation Index for principal preparation programs
- o Required hardware and/or software for development of Effective Principal Preparation Index for principal preparation programs
- o Program developer(s) and data analyst(s)
- o Training for state-level and university staff on how to utilize Effective Principal Preparation Index

Cost per procurement and time to be devoted to this project: $500,000 per year for three consecutive years, totaling $1,500,000 to be charged to a potential Race to the Top award grant

Development of a survey application for new teachers and principals

Purpose: Kentucky's Education Professional Standards Board will procure a vendor(s) to develop a survey for new teachers and a survey for new principals that will provide feedback on their preparation programs as an input into the Effective Educator and Principal Preparation Indices for teacher and principal preparation programs

Products and professional services included in this procurement:

- o Development of software and hardware
- o Program developer and part-time business / data analyst

Cost per procurement and time to be devoted to this project: This is a two-year project, with a total of $850,000 to be charged to a potential Race to the Top award grant

- Year 1: $550,000 for development of software and hardware, $120,000 for program developer and $30,000 for a part-time business / data analyst (Totaling $700,000 for Year 1)
- Year 2: $120,000 for program developer and $30,000 for a part-time business / data analyst (Totaling $150,000 for Year 2)

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

There are no indirect costs for this project as all costs fall under the Contractual category

Project #6: Educational Recovery for the lowest-achieving schools

	Budget Part II: Project-Level Budget Table				
	Project Name: Educational Recovery for the lowest-achieving schools				
	Associated with Criteria: (E)(2)				
	(Evidence for selection criterion (A)(2)(i)(d))				
Budget Categories	**Project Year 1 (a)**	**Project Year 2 (b)**	**Project Year 3 (c)**	**Project Year 4 (d)**	**Total (e)**
1. Personnel	$75,000	$75,000	$75,000	$75,000	$300,000
2. Fringe Benefits	$22,500	$22,500	$22,500	$22,500	$90,000
3. Travel	$0	$0	$0	$0	$0
4. Equipment	$0	$0	$0	$0	$0
5. Supplies	$0	$0	$0	$0	$0
6. Contractual	$2,095,000	$545,000	$3,545,000	$545,000	$6,730,000
7. Training Stipends	$0	$0	$0	$0	$0
8. Other	$0	$0	$0	$0	$0
9. Total Direct Costs (lines 1-8)	$2,192,500	$642,500	$3,642,500	$642,500	$7,120,000
10. Indirect Costs*	$13,748	$13,748	$13,748	$13,748	$54,990
11.Funding for Involved LEAs	$0	$0	$0	$0	$0
12. Supplemental Funding for Participating LEAs	$0	$0	$0	$0	$0
13. Total Costs (lines 9-12)	$2,206,248	$656,248	$3,656,248	$656,248	$7,174,990

Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.

Project #6: Educational Recovery for the lowest-achieving schools

This budget includes the costs associated with building Kentucky's new turnaround program. All direct costs for this project fall under one of the following categories: "Personnel," "Fringe Benefits," and "Contractual," and are described in detail below. Remaining costs are within "Indirect Costs." The majority of the costs for this work will be covered by School Improvement Grants / Title I funding and State School Improvement funding. The costs described in detail below explain the portions of this work that the Race to the Top grant award would fund, totaling ~$7.2M.

Line item 1: Personnel

Educational Recovery Project Manager

> The Kentucky Department of Education will create a new position, entitled the "Educational Recovery Project Manager," with the following key responsibilities:
>
> - o Lead the Request for Proposal and selection process to establish the Centers for Learning Excellence, and build the regional Center for Learning Excellence networks
> - o Establish formal and informal communication channels between Centers for Learning Excellence to facilitate knowledge sharing
> - o Serve as the Kentucky Department of Education point person for all Centers for Learning Excellence, and Educational Recovery school and LEA personnel when necessary
>
> Annual base salary: $75,000
>
> Percentage of full-time equivalent: 100%
>
> The Race to the Top grant award would fund 4 years of this position, totaling $300,000. After four years, other sources of funding for turnaround work will fund this position should it still be considered necessary to facilitate ongoing Educational Recovery processes.

Line item 2: Fringe Benefits

Educational Recovery Project Manager

The fringe benefit percentage for this position is 30% of base salary each year. 30% of the $75,000 base salary is $22,500 each year, totaling $90,000 over the four year period funded through Race to the Top.

The fringe benefit percentage of 30% was estimated based on benchmarks from other similar positions at the Kentucky Department of Education.

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Establishment of Centers for Learning Excellence

Purpose: The Kentucky Department of Education will utilize a Request for Proposal process to select organizations (i.e., vendors) to establish nine Centers for Learning Excellence as described in (E)(2)

Products and professional services included in this procurement *(this is a partial list; see (E)(2) for more detail on the role of Centers for Learning Excellence)*:

- o Identification and coordination of supports for Educational Recovery Schools
- o Varied staff expertise in school turnaround
- o Utilizing the CIITS *(see section (C)(3) for more detail)* to ensure knowledge sharing platform / processes across Educational Recovery Schools

Cost per procurement and time to be devoted to this project: $500,000 for each of three Centers for Learning Excellence to be established in Year 1, followed by $500,000 for each of six additional Centers for Learning Excellence to be established in Year 3, totaling $4,500,000 to be charged to a potential Race to the Top award grant

The ongoing management costs of the Centers for Learning Excellence will be primarily covered by School Improvement Grants.

Educational Recovery Summits

Purpose: The Kentucky Department of Education's District 180 will work with the Centers for Learning Excellence to hold three professional learning conferences each year to ensure knowledge sharing amongst Educational Recovery schools and districts.

Products and professional services included in this procurement:

- o Conference facilitation fees, including venue
- o Note: does not include remuneration fees for travel and time off for participants, if application

Cost detail: $15,000 for each convening. There will be 3 each year, totaling $45,000 each year, and $180,000 total to be charged to the Race to the Top grant award.

Consultant to assist with design of Educational Recovery Leader and Specialist programs

Purpose: The Kentucky Department of Education and the Education Professional Standards Board will work with a consultant for 6 months to develop the curriculum, resource materials, and training modules to be used to build the Educational Recovery Leader cadre.

Products and professional services included in this procurement:

- o Consulting services to assist with development of programs

Cost detail: $50,000 in Year 1 for the consultant

Deployment of Educational Recovery Leader and Specialist training programs

Purpose: Educational Recovery Leaders will participate in an intensive training program prior to entering the classroom as part of receiving the Educational Recovery Leader and Specialist endorsements.

Products and professional services included in this procurement:

- o Vendor services to support development and facilitation of training programs for Educational Recovery Leaders and Specialists for four years

Cost detail: $500,000 per year for four years, totaling $2,000,000 over four years

The costs to run this program will covered by the Race to the Top award grant for Years 1 through 4, and will thereafter be covered by federal and state school improvement grant funding.

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$55,000 in indirect costs

Project #7: Race to the Top Project Management

<table>
<tr><td colspan="6">Budget Part II: Project-Level Budget Table
Project Name: Race to the Top Project Management
Associated with Criteria: (A)(2)
(Evidence for selection criterion (A)(2)(i)(d))</td></tr>
<tr>
<th>Budget Categories</th>
<th>Project Year 1 (a)</th>
<th>Project Year 2 (b)</th>
<th>Project Year 3 (c)</th>
<th>Project Year 4 (d)</th>
<th>Total (e)</th>
</tr>
<tr><td>1. Personnel</td><td>$75,000</td><td>$75,000</td><td>$75,000</td><td>$75,000</td><td>$300,000</td></tr>
<tr><td>2. Fringe Benefits</td><td>$22,500</td><td>$22,500</td><td>$22,500</td><td>$22,500</td><td>$90,000</td></tr>
<tr><td>3. Travel</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>4. Equipment</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>5. Supplies</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>6. Contractual</td><td>$1,465,000</td><td>$0</td><td>$0</td><td>$0</td><td>$1,465,000</td></tr>
<tr><td>7. Training Stipends</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>8. Other</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>9. Total Direct Costs (lines 1-8)</td><td>$1,562,500</td><td>$97,500</td><td>$97,500</td><td>$97,500</td><td>$1,855,000</td></tr>
<tr><td>10. Indirect Costs*</td><td>$13,748</td><td>$13,748</td><td>$13,748</td><td>$13,748</td><td>$54,990</td></tr>
<tr><td>11.Funding for Involved LEAs</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td><td>$0</td></tr>
<tr><td>12. Supplemental Funding for Participating LEAs</td><td>$5,625,000</td><td>$625,000</td><td>$625,000</td><td>$625,000</td><td>$7,500,000</td></tr>
<tr><td>13. Total Costs (lines 9-12)</td><td>$7,201,248</td><td>$736,248</td><td>$736,248</td><td>$736,248</td><td>$9,409,990</td></tr>
<tr><td colspan="6"><i>Note: Calculations were conducted in a separate spreadsheet. Due to rounding, there may be small errors in the figures above.</i></td></tr>
</table>

Project #7: Race to the Top Project Management

This project is associated with criterion (A)(2) and outlines Kentucky's approach to overall Race to the Top project leadership and management of the grant as detailed in section (A)(2). To ensure sufficient capacity at all levels of the education system, this project also includes funding to supplement the potential underfunding of Participating LEAs for whom the Title 1 formula may result in insufficient funding to fully implement Kentucky's Race to the Top plans. Furthermore, given Kentucky's focus on fostering innovation, Project 7 includes an "Innovation fund" from which competitive grants will be awarded to LEAs who propose new, innovative projects with the aims of increasing student learning in their districts, as detailed in (A)(2). The costs of this work to the State that would be covered by a Race to the Top grant award are $9.4M.

All direct costs for this project fall under the "Personnel," "Fringe Benefits," and "Contractual" categories, with the remaining costs falling within "Indirect Costs" and "Supplemental Funding for Participating LEAs." The costs described in detail below explain the portions of this work that the Race to the Top grant award would fund.

Line item 1: Personnel

RTTT Director

>   Purpose: The RTTT Director will be a new staff person at the Kentucky Department of Education who will lead the overall facilitation and implementation of the Race to the Top plans.
>   The base salary for this position is $75,000. This is a four-year position, totaling $300,000 that will be charged to a potential Race to the Top grant award.

Line item 2: Fringe benefits

RTTT Director

>   The fringe benefit percentage is 30% to cover employee benefits. Applied to the total salary costs for the RTTT Director's four-year term noted above, the total fringe benefit cost is $90,000 that will be charged to the potential Race to the Top grant award.

Line item 6: Contractual

Note: Kentucky has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.

Change management and process design

Purpose: Reorganization and change management in the Kentucky Department of Education and process design to figure out processes and work with districts

Products and professional services included in this procurement:

- o Consulting services to analyze and determine reorganization of the Department and best processes to support and work with districts

Cost per procurement and time to be devoted to this project: $500,000

Technology platforms to support ongoing RTTT management and monitoring

Purpose: The Kentucky Department of Education will hire a contractor to assess and identify the necessary technology platforms to continuously manage and monitor the funding that is dispersed and the work that is being done.

Products and professional services included in this procurement:

- o Consulting services, software required, and training to equip RTTT team to effectively manage the grant and implementation plans
- o Cost per procurement and time to be devoted to this project: $500,000

School improvement planning software

Purpose: All schools and districts will use school improvement planning software as a necessary technology platform to manage planning and implementation of all school level projects and initiatives (as well as district-level views of project progress.)

Products and professional services included in this procurement:

- o Professional team analyzes conditions, readiness, and transferability of data
- o MOA mutually developed
- o Training on system provided
- o On-going TA provided

      o   Basic aggregate reports

Cost per procurement and time to be devoted to this project: $465,000

The total costs for this contract are estimated to be about $2.8M over three years. The following is the breakdown of how the full contract will be funded: $940,000 from School Improvement Grants; $930,000 from State School Improvement funding; $465,000 from the State's Race to the Top award, and $465,000 from the LEAs' 50% subgrant from Race to the Top.

Line item 10: Indirect Costs

Kentucky's indirect cost rate, as stipulated in Kentucky's Indirect Cost Rate Agreement (approved by the U. S. Department of Education), is 14.1%

This rate applied to the direct costs for Personnel, Fringe Benefits, Travel, and Supplies for this project comes to ~$55,000 in indirect costs

Line item 12: Supplemental Funding for Participating LEAs

Innovation Fund

Purpose of supplemental funding: A $2.5M competitive fund will be established to provide additional funding to LEAs that submit proposals and are awarded subgrants for innovative projects and initiatives

LEAs whose Title I share is being supplemented by the State

Purpose of supplemental funding: Based on their Title I share, 30 LEAs will likely require additional funding to fully implement the Race to the Top plans proposed.

Cost detail: The total additional funding required across these 30 LEAs is estimated to be $5M, which will come from the State's portion of the Race to the Top award. These supplementary subgrants will range from $2,000 to $800,000 with an average of about $165,000.

Because all 174 LEAs in Kentucky have signed on to participate in the Race to the Top initiatives, the final amounts for these supplemental subgrants will be determined during the scoping of work phase.